BRIEF IN SUPPORT OF PETITION.

The Opinions Below.

The findings and conclusions of the District Court are at pages 263-268 of the record. The opinion of the Circuit Court of Appeals follows page 278 of the record, and is reported in 134 F. (2d) 899.

Jurisdiction.

The petition sets forth on page 2 the grounds on which jurisdiction is invoked.

Statement of the Case.

The petition sets forth on pages 2 to 4 under the caption "Summary and Short Statement of the Matters Involved," with appropriate references to the record, all that is material to a consideration of the questions presented.

Specification of Errors.

The court is referred to reasons for the allowance of the Writ on pages 4 and 5 of the petition.

ARGUMENT.

The Circuit Court of Appeals concluded that while the goods of the parties are of the same general descriptive properties, confusion will be unlikely to result from the use by respondent of its later adopted mark. The reason for the court's conclusion in its own words is:

> "Neither of the marks in question is of that class known as arbitrary or fanciful. Each falls quite clearly into the class of suggestive marks characteristic of the product exemplified."

The court then goes into a discussion of the derivation of both marks and concludes that the suffixes "vite" and "tol" distinguish one from the other which make "it unlikely that one trade-mark could, with the exercise of ordinary care, be mistaken for or be confused with the other."

As we interpret the Circuit Court of Appeals' opinion, its view is that deceptive similarity must be endured if the mark alleged to be infringed is not wholly arbitrary and meaningless and that, to the degree that suggestiveness enters into the composition of the mark, colorable imitation is legitimate. The requirement of ordinary care on the part of purchasers is not in the statute and seems to be the court's own idea.*

In *Mishawaka Rubber & Woolen Manufacturing Co.* v.

* The law as laid down by this court does not require the exercise of ordinary care on the part of the public.

In *Federal Trade Commission* v. *Standard Education Society*, 302 U. S. 112, 116, Mr. Justice Black said:

> "There is no duty resting upon a citizen to suspect the honesty of those with whom he transacts business. Laws are made to protect the trusting as well as the suspicious. The best element of business has long since decided that honesty should govern competitive enterprises, and that the rule of caveat emptor should not be relied upon to reward fraud and deception."

Federal Trade Commission v. *Royal Milling Company*, 288 U. S. 212, 216, 217.

S. S. Kresge Co., 316 U. S. 203, 205, Mr. Justice Frankfurter, speaking of the Trade-Mark Act of 1905, said:

> "The 'right to be protected against an unwarranted use of the registered mark has been made a statutory right' by that Act. *Thaddeus Davids Co.* v. *Davids Mfg. Co.*, 233 U. S. 461, 471."*

The court below does not recognize the rule announced in the Davids case (233 U. S. 461, 468), that "having the right to register its mark, the complainant was entitled to its protection as a valid trade-mark under the statute. * * * It was not the intent of Congress thus to provide for a barren notice of an ineffectual claim, but to confer definite rights." The Circuit Court of Appeals in this case, we submit, ignored petitioner's statutory right. Holding petitioner's registration valid, it refused to apply the remedy which the statute confers.

One of the rights which the statute gives is the right of the owner of a registered trade-mark to protection against colorable imitation. Not only did the court deny protection against colorable imitation but it implies that this court was wrong in holding (*Thaddeus Davids Co.* v. *Davids*, 233 U. S. 461, 468) that the provision of Section 16 against colorable imitation applies to all trade-marks that are within the Act. It deprived petitioner of the benefit of that provision. In effect, it writes into the statute a limitation which is not in the Act or in the decisions of this court. In fact, petitioner was entitled to the relief the District Court decreed, whether its trade-mark should be regarded as an entirely arbitrary name or one having a remote suggestiveness. The idea that there are gradations in protection was advanced at one time by the Circuit Court of Appeals of the Second Circuit in *Washburn-Crosby Co.* v. *France Milling Co.*, 7 F. (2d) 304. This case was decided in 1925 by Judges Rogers, Hough and Man-

* In the Mishawaka case there was no evidence that the resemblance between the marks caused anyone to buy the goods of one party for those of the other.

ton. The same court composed of Judges Learned Hand, Swan and Chase in 1936 in *Landers, Frary & Clark* v. *Universal Cooler Corporation* (C. C. A. 2), 85 F. (2d) 46, 48, thus states the present law:

> "The suggestion has at times also been made that the doctrine does not apply to a mark which is not coined, and it is on this that the defendant apparently relies. *Pabst Brewing Co.* v. *Decatur Brewing Co.*, 284 F. 110 (C. C. A. 7); *France Milling Co.* v. *Washburn-Crosby Co.*, 7 F. (2d) 304 (C. C. A. 2); *Treager* v. *Gordon-Allen, Ltd.*, 71 F. (2d) 766 (C. C. A. 9). We do not agree; so far as *France* v. *Washburn-Crosby Co., supra*, says anything to the contrary, it was obiter."

The court below seems to have based its decision on a notion now abandoned by the court which first announced it and never accepted by this court which has consistently held the opposite. *Thaddeus Davids* v. *Davids*, 233 U. S. 461, 466, 468, 469, 470; *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corporation*, 305 U. S. 315, 335; *Baglin* v. *Cusenier*, 221 U. S. 580, 600.

The Court of Appeals should have accepted the fact of confusing similarity found by the Patent Office under the rule of law laid down by this court in *Morgan* v. *Daniels*, 153 U. S. 120. In discussing the weight of evidence and effect of a Patent Office decision as to facts in a suit under Section 4915, Mr. Justice Brewer said (125):

> "Upon principle and authority, therefore, it must be laid down as a rule that where the question decided in the Patent Office is one between contesting parties as to priority of invention, the decision there made must be accepted as controlling upon that question of fact in any subsequent suit between the same parties, unless the contrary is established by testimony which in character and amount carries thorough conviction."

In this case both parties took additional evidence. The respondent's consisted merely of the testimony of two detectives who shopped a large number of retail stores

in the City of Detroit. They testified that they did not find the petitioner's product on sale in all these stores (Rec. 36-47). These detectives, however, did find petitioner's product on sale in some of the stores which they visited. This was the only additional testimony that made the record for the respondent in the District Court differ from that in the Patent Office, and it did not strengthen respondent's case. Petitioner, however, produced additional testimony which showed that there was confusion between the trade-marks involved in the minds of retail dealers in the City of Detroit. Therefore, since the petitioner had a stronger case in the District Court than it had in the Patent Office and the District Court sustained the Patent Office, then the Court of Appeals should likewise have sustained the District Court based upon the findings of fact and conclusions of law entered by that court.

The Court of Appeals did not follow the rule of law laid down by this Court in *Morgan* v. *Daniels*, 153 U. S. 120, nor did it comply with Rule 52 of the Federal Rules for Civil Procedure which provides that:

> "Findings of fact shall not be set aside unless clearly erroneous, * * *."

This Court and the various Courts of Appeal have held time and time again that the findings of fact and conclusions of law of a District Court should not be set aside unless clearly erroneous. We submit that there was no error in the District Judge's findings of fact and his conclusions of law and that based upon his findings and conclusions, he entered the proper judgment in enjoining Solventol as an infringement of Solvite and refusing to instruct the Commissioner of Patents to grant registration to Solventol.

Conclusion.

Respondent's brief and argument in the Court of Appeals was a cry for help to save it from the serious fix it found itself in by building up a business under the infringing mark over petitioner's protest and opposition in the Patent Office. That is the same sort of predicament that the appellant was in in *Yale Electric Corporation* v. *Robertson*, (C. C. A. 2), 26 F. (2d) 972. In that case Judge Learned Hand in affirming a decision of the District Court for the District of Connecticut, in dismissing the complaint and sustaining a counterclaim in a 4915 action like this, said (974):

> "The plaintiff has gone on in the face of the defendant's opposition from the very outset. If its persistence now lays a heavy burden on it, it is of its own making. It would be an easy escape from the consequences of a wrong to assert that one has grown so old in its practice as to make any change painful."

We feel that it is of general importance and in the public interest that a judgment which denies protection to a valid registered trade-mark under the Federal Statutes be reviewed and reversed.

Respectfully submitted,

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